Rexford Industrial Realty (REXR)

Updated February 5th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$40	**5 Year CAGR Estimate:**	14.0%	**Market Cap:**	$9.5 B
Fair Value Price:	$48	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	3/31/2026
% Fair Value:	84%	**5 Year Valuation Multiple Estimate:**	3.5%	**Dividend Payment Date:**	4/15/2026
Dividend Yield:	4.4%	**5 Year Price Target**	$67	**Years Of Dividend Growth:**	12
Dividend Risk Score:	D	**Sector:** REITs		**Rating:**	Hold

Overview & Current Events

Rexford Industrial Realty (REXR) is a real estate investment trust (REIT) that operates and redevelops industrial properties throughout infill Southern California. The REIT was founded in 2001, became public in 2014 and currently has 419 properties with a total rentable area of 51 million square feet. It has a market capitalization of $9.5 billion.

Rexford Industrial enjoys strong business tailwinds thanks to its exclusive focus on infill Southern California, which is the fourth largest industrial market in the world and the largest industrial market in the U.S. This region has a GDP of $1.8 trillion, the 11th largest in the world, and is characterized by an extremely low vacancy rate of less than 3.0%, markedly high demand and low supply of new properties. As a result, it offers strong pricing power to the REIT.

In early February, Rexford Industrial reported (2/4/26) results for the fourth quarter of 2025. Same-property net operating income grew 0.4% over last year's quarter, marking a deceleration vs. previous quarters. Core funds from operations (FFO) grew 6% but core FFO per share grew 2%, from $0.58 to $0.59, due to a higher share count, in line with the analysts' consensus. The REIT has not missed the analysts' FFO estimates for 28 consecutive quarters.

In contrast to most REITs, which are suffering from high interest expense amid high interest rates, Rexford Industrial has low interest expense thanks to its rock-solid balance sheet. It just raised its dividend by 1% but provided lackluster guidance for 2026, expecting FFO per share of $2.35-$2.40 and thus implying essentially flat performance. Despite the record of beating estimates, we have assumed FFO per share of $2.38, in line with the guidance, to be on the safe side.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO	$0.88	$0.96	$1.12	$1.23	$1.32	$1.64	$1.96	$2.19	$2.34	$2.40	***$2.38***	***$3.34***
DPS	$0.54	$0.58	$0.64	$0.74	$0.86	$0.96	$1.26	$1.52	$1.67	$1.72	***$1.74***	***$2.22***
Shares[1]	63.0	71.6	87.3	106.8	121.2	140.1	171.0	203.1	222.9	232.0	***240.0***	***400.0***

Rexford Industrial greatly benefits from operating in infill Southern California, the largest industrial market in the U.S, which is characterized by strong demand and low supply of new properties and has one of the lowest vacancy rates in the country (3.6% vs. an average of 5.5%). The REIT has grown its FFO per share by 11.8% per year on average over the last decade and hence it is one of the highest-growth REITs. It has grown its FFO at a fast pace by acquiring new properties and redeveloping them to enhance their value. Rexford Industrial has grown with impressive consistency, even during the pandemic, thus confirming the strength of its business model. As the REIT has somewhat decelerated lately, we expect it to grow its FFO per share at a 7.0% average annual rate over the next five years.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg P/FFO	23.0	28.0	27.2	32.8	34.1	35.9	32.7	24.7	20.1	16.2	***16.8***	***20.0***
Avg. Yld.	2.7%	2.2%	2.1%	1.8%	1.9%	1.6%	2.0%	2.8%	3.6%	4.4%	***4.4%***	***3.3%***

[1] In millions.

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Rexford Industrial has traded at an average P/FFO ratio of 27.5 over the last decade, one of the richest valuation levels in the REIT sector, thanks to its impressive growth record and prospects. However, high interest rates result in high interest expense and also reduce the present value of future FFO, thus compressing the valuation levels of REITs. Given depressed interest rates until 2021 and our preference to have a margin of safety, we assume a fair P/FFO ratio of 20.0 for the REIT. The stock is currently trading at a P/FFO ratio of 16.8, which is lower than our assumed fair valuation level. If the stock trades at its fair valuation level in five years, it will enjoy a 3.5% annualized gain in its returns.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	61%	60%	57%	60%	65%	59%	64%	69%	71%	72%	***73%***	***67%***

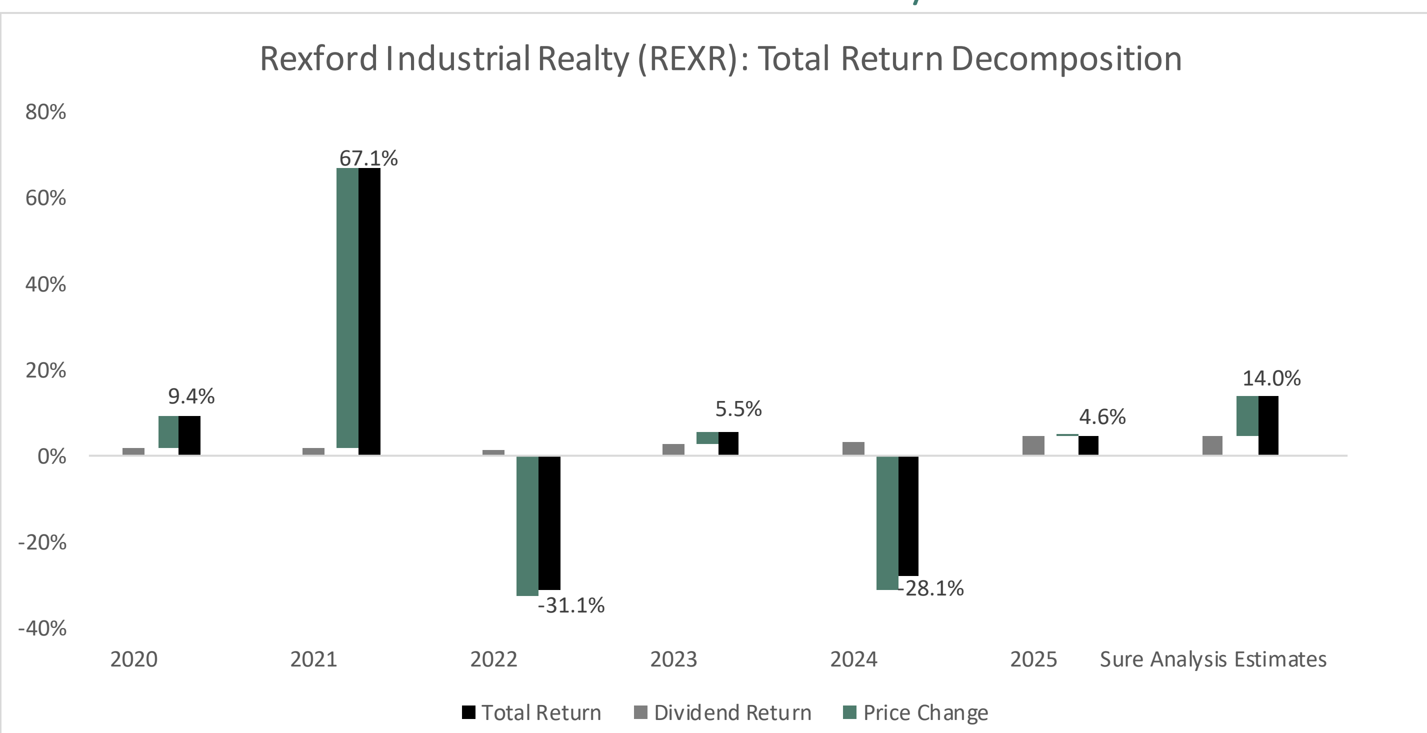
Rexford Industrial is offering a 4.4% dividend yield, which is lower than the 4.8% median dividend yield of the REIT sector. However, the REIT has grown its dividend by 14% per year on average over the last decade. It also has one of the strongest balance sheets in the REIT sector, with an interest coverage ratio of 3.5 and net debt of $3.4 billion, which is only 36% of the market capitalization. Thanks to its pristine balance sheet and its reliable growth trajectory, Rexford Industrial is likely to keep raising its dividend meaningfully for many more years. Therefore, the REIT is suitable not only for growth-oriented investors, but also for income-oriented investors.

It is also worth noting that Rexford Industrial proved resilient to the recession caused by the pandemic in 2020, as it kept growing its FFO per share and its dividend during that crisis.

Final Thoughts & Recommendation

Rexford Industrial has remained essentially flat in the last 12 months due to business deceleration but we view the stock as attractive from a long-term perspective. The stock could offer a 14.0% average annual return over the next five years thanks to 7.0% annual growth of FFO per share, its 4.4% dividend and a 3.5% valuation tailwind. The stock receives a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	94	126	161	212	267	330	452	631	798	936
Gross Profit	69	93	119	161	204	250	345	481	613	726
Gross Margin	73.4%	73.4%	73.9%	75.7%	76.3%	75.9%	76.2%	76.2%	76.9%	77.5%
SG&A Exp.	15	17	22	25	30	37	49	64	75	82
D&A Exp.	42	51	63	74	91	105	136	166	215	248
Operating Profit	12	24	33	56	75	98	144	220	294	369
Op. Margin	12.8%	18.8%	20.3%	26.2%	28.0%	29.8%	31.9%	34.8%	36.8%	39.4%
Net Profit	2	25	41	46	62	76	128	168	238	274
Net Margin	2.0%	19.9%	25.2%	21.7%	23.2%	23.1%	28.4%	26.5%	29.8%	29.2%
Free Cash Flow	18	25	34	45	92	104	129	193	161	105

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	1,153	1,515	2,111	2,788	3,639	4,951	6,781	9,259	10,930	12,648
Cash & Equivalents	5	16	7	181	79	176	44	37	33	56
Acct Recv.	11	15	19	27	36	51	73	103	141	177
Goodwill	36	42	54	61	78	97	137	175	159	207
Total Liabilities	460	553	746	879	1,016	1,421	1,713	2,336	2,786	3,922
Long-Term Debt	418	500	669	757	858	1,216	1,400	1,936	2,226	3,346
Shareholder's Equity	672	853	1,180	1,717	2,314	3,003	4,629	6,401	7,611	8,168
LTD/E Ratio	0.62	0.53	0.50	0.40	0.34	0.37	0.29	0.30	0.29	0.40

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	0.2%	1.9%	2.2%	1.9%	1.9%	1.8%	2.2%	2.1%	2.4%	2.3%
Return on Equity	0.3%	3.0%	3.5%	2.8%	2.7%	2.5%	3.0%	2.8%	3.2%	3.2%
ROIC	0.2%	2.0%	2.3%	2.0%	2.0%	1.9%	2.3%	2.2%	2.5%	2.4%
Shares Out.	54.0	63.0	71.6	87.3	106.8	121.2	140.1	171.0	203.1	218.5
Revenue/Share	1.74	2.00	2.25	2.43	2.50	2.72	3.23	3.69	3.93	4.29
FCF/Share	0.34	0.39	0.48	0.51	0.86	0.86	0.92	1.13	0.79	0.48

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.